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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000567

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SUBJECT: PRO-CHAVEZ PARTIES PUT BRAKES ON FORMATION OF A

UNIFIED SOCIALIST PARTY

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Classified By: POLITICAL COUNSELOR ROBERT DOWNES, REASONS 1.4 (B) AND (D)  $\,$ 

 $\P1.$  (C) Summary. President Chavez' efforts to impose the formation of a United Socialist Party of Venezuela (PSUV) on pro-Chavez parties has sparked significant, public divisions among his supporters. The main Chavista party, the Fifth Republic Movement (MVR), is on board with the PSUV, but three small, but important, pro-Chavez parties are not. Podemos, Patria Para Todos (PPT) and the Communist Party (PCV), have declined to dissolve themselves before the actual formation of the PSUV, justifiably arguing that they will likely be marginalized further. While all three hold-out parties have reiterated their continued allegiance to Chavez, they continue to try to negotiate the terms of their entry into the PSUV. Chavez and other close supporters are accusing the recalcitrant parties of disloyalty and warning that they may eventually be asked to leave Chavez' government. Nevertheless, the pushback appears to have had an effect, as Chavez has adjusted his party formation strategy by naming a new promotion commission and by pushing back his timetable from the first quarter to the end of 2007. End Summary.

Podemos Balks: "For Now"

- 12. (SBU) Addressing a March 2 party congress in Caracas, Podemos party Secretary General Ismael Garcia announced in a fiery, defiant speech that Podemos would not dissolve prior to the formation of Chavez' proposed United Socialist Party of Venezuela (PSUV). Most of the pro-government parties, including Chavez' Fifth Republic Movement party (MVR), have already done so. Garcia insisted that Podemos does not believe in "socialism of the state, but rather democratic socialism" and argued that the new party should not be a "product of bigwigs." While Garcia underlined that Podemos accepts Chavez as the revolutionary leader, he also exhorted the government to value and listen to the opposition. Garcia concluded his speech by proclaiming a symbolically significant variation of Chavez' slogan "My country, socialism, or death," shouting "My country, democratic socialism, and life."
- ¶3. (SBU) At the same time, Garcia reiterated his party's support for Chavez and for forging a unified pro-Chavez political party via a constituent party assembly. In Garcia's view, an open and democratic process to set up the new party is preferable to the opaque, exclusive committee

structure Chavez set up. He proposed that the National Electoral Council coordinate the selection of 1500 party delegates, with half coming from local municipalities, 30 percent selected from states, and 20 percent from the national level. Sucre Governor Ramon Martinez clarified to the press that the party's decision not to dissolve is "for now" (Note: "For now" was Chavez' catch phrase after his surrender in the 1992 failed coup).

¶4. (SBU) Podemos, formed in 2002, is the pro-Chavez off-shoot of the opposition, left-wing party Movement Toward Socialism (MAS). Podemos party members are governors in two states, Sucre and Aragua. The party also has 18 members in the 167-member National Assembly, the second-largest grouping after Chavez' Fifth Republic Movement, which enjoys an absolute majority. In the December 3, 2006, presidential election, over 750,000 voted for Chavez on the Podemos ticket, some 6.5% of all votes cast, making Podemos the second-most popular pro-Chavez party. By comparison, however, Chavez polled over 4.8 million votes on the MVR ticket, or 41.6% of all votes cast. There are no Podemos party members in Chavez' current cabinet.

Communist Party Sidestepping Merger

¶5. (SBU) The Communist Party of Venezuela (PCV) held a March 4-5 party congress and also decided to continue as a political party. At the same time, the party reportedly reiterated its support for Chavez' "revolution" as well as its intention to participate in the formation of a single "revolutionary" party. The PCV postponed any decision on whether the party will join the proposed United Socialist Party of Venezuela until the formation process is concluded. PCV President Jernonimo Carrera told the local media that Venezuelan communists have both "capital and a brand" and any

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economist would recommend that the party "do an impact study" before joining another company. At a March 12 press conference, PCV Secretary General Oscar Figueroa promoted the formation of an "anti-imperialist" front as a possible intermediate step to facilitate greater unity among pro-Chavez parties.

16. (SBU) The PCV, the oldest political party in Venezuela, just celebrated its 76th birthday. Over 340,000 voters cast their ballots for Chavez in the December 3, 2006 presidential election on the PCV ticket, some 2.9 percent of the total votes cast. The PCV has one Chavez cabinet member, Minister of Popular Power for Social Development and Popular Participation David Velasquez and six members of the 167-member National Assembly. The PCV enjoys a well-earned reputation for party discipline and organization, and vocal pro-Chavez advocates frequently refer to the PCV as a potential model for the party structure of the future PSUV.

Patria Para Todos: Committed, but Waiting to See

17. (SBU) In the wake of the Podemos and PCV party congresses, Patria Para Todos (PPT) Secretary General Jose Albornoz reiterated to the press that his party also does not intend to dissolve before knowing more about what the ideology and structure of the PSUV will be. In his view, the ball is still in the PSUV promoters' court to include PPT participation in the PSUV formation process. Nevertheless, PPT leaders already ratified at a January 29 party conference that PPT intends to "accompany President Chavez in the formation of a new socialist model in Venezuela." Albornoz publicly advocates a negotiated merger with other pro-Chavez parties, famously noting that "unity is not decreed, but constructed."

18. (SBU) PPT was formed in 1997 as an off-shoot of the left-wing opposition party the Radical Cause ("la Causa R"). The PPT has two ministers in Chavez' current cabinet, Minister of Popular Power for Light Industry and Commerce Maria Cristina Iglesias and Minister of Popular Power for Sports Eduardo Alvarez as well as nine National Assembly members. Close to 600,000 voters cast ballots for Chavez in the December 3, 2006 presidential election on the PPT ticket, some 5.1% of the total votes cast. That made PPT the third most popular pro-Chavez party, but still well under the polling power of Chavez' Fifth Republic Movement.

Chavez Talks Tough But Delays His Plans

- ¶9. (SBU) President Chavez initially publicly reiterated that all the pro-Chavez parties are free to join or not join a Unified Socialist Party, but also reminded that those that choose not to, will no longer be considered part of his government. Chavez' 2006 presidential campaign manager Francisco Ameliach accused Podemos Secretary General Garcia of being "disloyal" and "against the people." Staunch Chavista Lina Ron, who dissolved her tiny Popular Venezuelan Unity party right after Chavez announced his intention to form a single pro-government party in December 2006, is publicly chastising the pro-Chavez hold-outs, warning in a March 13 "El Nuevo Pais" op-ed that they represent an "imminent danger."
- 110. (SBU) Pro-government media outlets also quickly circled the wagons. The radical Chavista television talk show "La Hojilla" played clips of Garcia's speech to the Podemos party congress and accused him of adopting the rhetoric of opposition. The pro-government daily "Vea" has editorialized that the PSUV cannot become an "alphabet soup" of associated parties. It has also been running frequent articles highlighting support for the formation of the PSUV among some regional and local leaders within the Podemos, PPT, and the Communist party. Chavez' militant youth wing, the Francisco de Miranda Front, and the tiny pro-Chavez Socialist League party ran a full-page ads in "Vea" March 8 expressing support for the creation of a Unified Socialist Party.
- 111. (SBU) Despite the tough initial reaction from Chavez and some of his closest supporters, Chavez also announced the formation of a new, MVR-dominated committee headed by Vice President Jorge Rodriguez to promote the formation of the Unified Socialist Party of Venezuela. Rodriguez is joined by

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General Alberto Muller Rojas of Chavez' General Staff, Liberatador (central Caracas) Mayor Freddy Bernal, Vargas Governor Diosdado Cabello, Socialist League Secretary General Fernando Soto Rojas, and "Vea" editor Guillermo Garcia Ponce. That committee met with representatives of Podemos, PPT, and the Communist party March 7-8, and all sides to the internal dispute expressed satisfaction in the renewed dialogue.

112. (SBU) At the same time, Chavez and the PSUV promoters announced a slower timetable for the creation of the PSUV. Chavez had expressed a desire in December 2006 to create the PSUV in the first part of 2007, but on March 5, he announced a new target date of December 2007. Some 11,000 party promoters are slated to be sworn in on March 24, a significant addition to the some 3,500 grass roots promoters that started the initial organizing of the PSUV in recent weeks. An MVR-dominated technical commission composed of the Vice President, Governor Cabello, Education Minister and presidential brother Adan Chavez, Lina Ron, and former Nutrition Minister Erika Farias is in charge of selecting the 11,000 promoters. Chavez announced March 5 that the 11,000 militants would help create the bases of the new PSUV, which in turn, would elect delegates to design the party structure and ideology.

- 113. (C) Chavez has had to retreat substantially from his post-election announcement that he intended to form the PSUV in the first part of 2007. Chavez' agenda to launch his "socialist" plan of government, including issuing decree-laws and preparing major constitutional changes, is already very full and likely contributing to the delay in the formation of the PSUV. At the same time, the reluctance of three leading pro-Chavez parties seems to be forcing Chavez to move somewhat slower on this internally divisive initiative. While Podemos, PPT, and the Communist Party are small in comparison to Chavez' own dissolved MVR party, they bring value to the PSUV table because they each maintain, by Venezuelan standards, well-developed party organizations. The MVR, in contrast, was largely an electoral machine for Chavez, and not a traditional political party. As such, the MVR lacks the structure and grassroots organizational capability that the smaller parties bring to the table.
- 114. (C) So far, Chavez has entrusted the formation of the PSUV largely to close MVR leaders, and that appears to be contributing to the three parties' decisions not to dissolve until they actually know what the PSUV will be. PPT, for example, had only one representative on the initial PSUV promotion committee, Ambassador to Cuba Ali Rodriguez. In the meantime, the cracks and fissures within Chavismo are becoming more visible to a voting public more accustomed to intra-opposition disputes. For example, Podemos Secretary General Garcia publicly warned March 12 that if the MVR persists in recall referenda efforts against the Podemos governors of Aragua and Sucre, Podemos will launch similar efforts against MVR politicians.

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